

## **Asset Management in Gorontalo Province Government**

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### **Abstract**

This study aims to determine the Management (Management) of Regional Property in the Gorontalo Provincial Government. The results of this study indicate that the Management (management) of Regional Property in the Gorontalo Provincial Government is still not optimal. The results of the study indicate that in order for the management (management) of BMD to run optimally, it is necessary to have a joint commitment in carrying out their respective functions and duties in accordance with Minister of Home Affairs Regulation Number 19 of 2016 concerning guidelines for the Management of Regional Property.

**Keywords:** Management, BMD, Permendagri\_19/2016

### **Introduction**

In the development of property science, asset management is a new theory that emerged due to the fact that in an area that has a wealth of resources, consisting of natural, human and infrastructure resources. In government and business organizations, assets are implemented in an effort to implement good governance which includes the implementation of accountability, participation and openness. Asset management itself is growing quite rapidly starting with a static orientation and then developing into something dynamic, initiative and strategic (Morecroft, 2015). Asset management itself is a profession or skill that is generally not fully developed and popular among the public (Quinn et al., 2009).

Literally asset management consists of two words, namely management and assets. Management is theoretically defined as a series of processes consisting of planning, organizing, implementing supervision and budgeting (Nawawi, 2003). Meanwhile, according to Griffin in Robbins (2007) asset management is a process of planning, organizing, coordinating and controlling resources to achieve goals effectively and efficiently. Based on this understanding, it can be concluded that management is a process of management activities whose stages start from planning, organizing, implementing, to monitoring.

According to Siregar & Rajan (2004), assets are goods (things) or anything that has economic value (economic value), commercial value (commercial value), or exchange value (exchange value) owned by business entities, agencies, or individual (individual). In

Government Regulation Number 24 of 2005 concerning Government Accounting Standards (SAP), assets are defined as economic resources controlled or owned by the government as a result of past events and from which future economic or social benefits are expected to be obtained, either by government and society, and can be measured in units of money, including non-financial resources needed to provide services to the general public and resources maintained for historical and cultural reasons. Assets are goods which in the legal sense are called objects, consisting of immovable objects and movable objects, both tangible and intangible, which are included in the assets/wealth or assets of an agency, organization, business entities, or individuals. Thus, assets are resources that have economic, commercial, exchange, or social value and can be owned or controlled by governments, communities, individuals, and private organizations (Di Domenico et al., 2010).

Furthermore, according to Siregar (2004), in managing regional assets, local governments are required to be able to professionally and independently manage their assets through asset management capabilities which are divided into five stages of work, namely: a) asset inventory; b) legal audits; c) asset valuation; d) optimization of asset utilization; and e) Asset management information system.

In the module principles of asset management for regional property based on PP number 27 of 2014 and its implementation in Home Affairs Regulation number 19 of 2016, asset management includes a series of activities and actions on regional goods which include planning needs, budgeting, procurement, receipt of storage, distribution of use, administration, utilization, security and maintenance, assessment, transfer, abolition, supervision and control, financing, and claims for compensation.

## **Research Method**

This research was conducted using qualitative research methods, and analysis of primary data and secondary data in the form of sentences. The research was conducted within the Gorontalo Provincial Government. The sample used is all regional property managers in SKPKD and SKPD within the Gorontalo Provincial Government with a phenomenological approach. Data collection techniques using interviews, observation and documentation. The source of the data is primary data obtained from interviews and secondary data, the data analysis technique is by means of data reduction where the data obtained from the interviews are selected which one is considered according to the needs of the researcher, then the researcher presents it in the presentation of the data, then from the presentation of data from some of the results of interviews and conclusions were drawn, and the validity of the data was equating the results of interviews, observations and documentation.

## **Results and Discussion**

### ***Asset Inventory***

Siregar (2004) states that asset inventory consists of two aspects, namely physical and juridical/legal inventory. Physical aspects consist of shape, area, location, volume/amount, type, address, and others. While the juridical aspects are the status of control, legal issues that are owned, as well as the deadline for mastery and the work processes carried out in the asset inventory are data collection, codification/labelling, grouping and bookkeeping/administration in accordance with the objectives of asset management. Government Regulation Number 28 of 2020 concerning Management of State/Regional Property states that inventory is an activity to collect data, record and report the results of data collection on regional property. Inventory of

regional property is carried out by users of goods at least once every five (5) years and the results are reported to the goods manager no later than three (3) months after the completion of the inventory. Inventory is carried out to record assets in the region for further recording of these assets and then reported for the purposes of preparing the BMD Report, where the report will become part of the Regional Government Financial Report. In addition, the report on the results of the inventory also allows local governments to have data on assets that can be used to support their main tasks and functions in serving the community and can also be used for rent to other parties (more optimized for use) to increase regional income.

Asset inventory activity is an activity that is mandated according to Minister of Home Affairs Regulation Number 19 of 2016. The findings obtained in this section are Lack of Compliance with BMD Managers in SKPD. The results of interviews with researchers obtained the fact that the implementation of asset inventory in SKPD has not been carried out according to the provisions in Minister of Home Affairs Regulation number 19 of 2016. The Gorontalo Provincial Government, according to interviews with several officials in the Asset Sector, obtained information that it had carried out an Asset Inventory in 2015, then according to the provisions for the next Asset inventory it should be carried out in 2020. However, with the refocusing of the budget, the inventory will be carried out later in 2021.

In addition, the results of the study show that users of goods do not carry out an inventory of special assets for inventories and construction in progress, which is mandated in Minister of Home Affairs Regulation number 19 of 2016 which is carried out at least once a year. When conducting an inventory at the level of the goods user, the SKPD does not submit a report on the results of the asset inventory to the asset sector as the manager of the goods manager.

This inventory activity aims to record, find out and update the actual condition of assets. Based on the information obtained, the Gorontalo Provincial Government has carried out a follow-up to the implementation of the inventory results in 2021 by updating the condition of regional property in the SIMDA BMD application. the implementation of updates is carried out directly by the SKPD and is accompanied by the asset sector. The purpose of updating the condition of regional property in the SIMDA BMD application is so that officials managing regional property at the SKPKD and SKPD levels obtain definite information regarding the real condition of regional property which has been supporting the implementation of government activities. In addition, updating the condition of goods can also provide information on regional asset balances in the preparation of regional government financial reports in accordance with field conditions.

In addition, the implementation of the inventory report in the Gorontalo Provincial Government has implemented the latest regulation, namely Minister of Home Affairs Regulation number 47 of 2021, this implementation can be seen from the use of the Inventory Worksheet (LKI) and Inventory Result Report (LHI) used by SKPD and SKPD. The use of LKI and LHI in the implementation of this regional property inventory becomes a very important part in the administration of regional property because it regulates policies that are not regulated in the previous regulation.

In carrying out the inventory at the SKPD level, based on interviews with goods managers, information was obtained that not all assets in the Goods Inventory Card were inventoried, this was due to, among others; 1) There are some assets whose whereabouts are no longer known, 2) The time given for the implementation of the inventory is very little, 3) The task of the inventory is only charged to the goods manager, 4) There is no budget that

supports the implementation of the inventory in the SKPD.

From these findings, if you look at the existing regulations, the implementation of the inventory should be carried out optimally. Because this inventory is an obligation of the local government which has been regulated in the regulation, namely Minister of Home Affairs Regulation number 19 of 2016 concerning the management of regional property. According to the researcher, if it is related to the management process, namely from planning, organizing, implementing to monitoring, it can be concluded as follows;

| No   | Management Stage | Indicator  | Description |
|--|------------------|--|-------------|
| 1  | Planning         | The inventory that should have been carried out in 2020, due to budget refocusing, will be carried out in 2021.  | Not Optimal |
| 2  | Organizing       | <ul style="list-style-type: none"> <li>b. SKPD does not prepare asset documents to be inventoried</li> <li>The Asset Sector provides assistance for Inventorying Assets in the form of Land and Buildings recorded in the KIB SKPD.</li> </ul> | Optimal     |
| 3  | Implementation   | <ul style="list-style-type: none"> <li>1. The SKPD leadership is responsible for the implementation of the inventory in the SKPD.</li> <li>a. Inventory is still hampered by searching documents by SKPD.</li> </ul>                           | Not Optimal |
| 4  | Supervision      | <ul style="list-style-type: none"> <li>a. Many assets have not been inventoried in the SKPD because there is little time.</li> <li>Involving the Inspectorate, the legal department and the SKPD leadership in supervision.</li> </ul>         | Optimal     |
| Conduct weekly evaluations during the implementation of the inventory. |                  |  |             |

### **Legal Audit**

Minister of Home Affairs Regulation Number 19 of 2016 states that managers, users and/or proxies of users are obligated to safeguard BMD that is under their control. One type of security in question is legal security, which includes activities to complete proof of ownership status. The results of the study which state that legal audits have no effect on optimizing the use of assets are not in line with Permendagri Number 19 of 2016 which states that BMD in the control of the regional government must have proof of ownership status to be legally safe, in the sense that it does not allow for confiscation or disputes with other parties. Because BMD with clear status and proof of ownership will open up more optimal utilization opportunities for rent or collaboration with third parties.

Legal audit according to Siregar (2004) is a scope of asset management work in the form of an inventory of asset control status, control systems and procedures for asset transfer, identification and finding solutions to legal problems and strategies to solve various legal problems related to control or transfer asset. Legal problems that are often encountered include weak status of tenure rights, assets controlled by other parties, unmonitored transfer of assets, and others. Generally, assets in the regions still have problems with their status and proof of ownership (Jacobs et al., 2019). Not infrequently this makes assets out of the hands of local governments. In this case, the regional government should detect and guard early on the possibilities that will arise if regional assets are not accompanied by clear evidence of ownership.

First, Legal Accountability. The Gorontalo provincial government, according to the information obtained by researchers in interviews with asset managers, speculates that the implementation of legal asset audits has been carried out optimally. This condition is evidenced by security through administration, through instructions from the regional secretary as the manager of the BMD to the SKPD leadership to submit all proof of ownership documents to the asset sector as the manager of the goods manager. Problems in SKPD, it was found that almost most of the proof of ownership in the form of certificates for land, IMB for buildings

and BPKB for official vehicles were not yet fully implemented. This condition is due to the fact that some assets that no longer have documentary evidence are P3D grant assets from the North Sulawesi provincial government. Others are grant assets from the ministry which were not accompanied by documents at the time of submission.

In addition, in terms of physical security, in 2021, the Gorontalo provincial government has installed proof of ownership signs for all land and building assets belonging to the Gorontalo provincial government which are currently scattered throughout Gorontalo province. The current problem is that there are still assets belonging to the Gorontalo provincial government in the form of land and buildings that are still controlled by other parties. These assets are also assets for the delivery of P3D from the province of North Sulawesi.

According to the information obtained by the researcher, that in order to save the assets that have been controlled by the community at this time, the Gorontalo provincial government through the financial agency coordinates with the relevant legal bureau and SKPD to take legal steps to resolve the asset problem. The steps taken are by using the State Attorney's Office through a Special Power of Attorney (SKK) to the Gorontalo High Prosecutor's Office.

Second, Process Accountability This accountability dimension relates to whether the procedures used in carrying out the duties are good enough, including in terms of accounting information systems, management information systems, to administrative procedures. From the information obtained by the researcher, that the main problem in asset management is at the stage of asset management procedures whether it is in accordance with SOPs, especially for administrative procedures.

The Gorontalo provincial government is currently using an information system for the administration of regional assets, namely through the use of the SIMDA BMD application that is used in all SKPD, besides that asset data is also connected to the preparation of financial statements, so that financial report data for assets can be accounted for.

Regarding the administrative procedures, it is recognized that for the last 5 years, continuous improvement has been carried out, so findings related to asset management related to asset legalization, namely ownership of assets by other parties and transfer of assets that do not have a basic document of ownership are findings for assets that obtained through P3D in accordance with statutory provisions.

### ***Asset Valuation***

Siregar & Widyawati (2016) states that one of the factors that causes regional assets or resources or potential to have not been managed and utilized optimally is the problem of incorrect assessment. In fact, it can be said that there are more regional assets that have not been touched by the assessment. In fact, the results of this assessment will be used as the basis for improving the management of regional assets so that they can be utilized optimally.

The information that the researcher obtained is that the asset valuation in the Gorontalo Provincial Government is also carried out by a government institution, namely the Directorate General of State Assets (DJKN) Suluttenggomalut which is located in Manado City, North Sulawesi Province, in addition to using competent and certified Public Appraisal Services. Because the Gorontalo provincial government does not yet have competent human resources and has a regional property appraiser certification.

It can be seen that the asset valuation process carried out by the Gorontalo Provincial

Government is still not optimal, because it still uses the Public Appraisal Service or DJKN. Whereas asset valuation itself is one of the important components in asset optimization, because asset valuation aims to determine the value of the wealth contained in the asset and as a price application for the assets to be sold.

This condition is different from that of the district/city government, in that the evaluation for districts/municipalities is carried out by the State Assets Service and Auction Office (KPKNL) in the province. This policy is a regulation regulated by the Ministry of Finance regarding the division of assessment authority.

This policy greatly affects the efforts of the local government, especially the Gorontalo provincial government in carrying out the optimization of BMD, both through the use and transfer of BMD. As for the obstacles that have been felt by the Gorontalo Provincial Government in carrying out the BMD assessment, namely adjusting the assessment time and assessment budget.

First, adjust the time. In the BMD assessment activities for both utilization and transfer, the Gorontalo provincial government always considers time, namely the readiness of the DJKN for the assessment in the Gorontalo provincial government. This is understandable because DJKN Suluttenggomalut serves assessment requests not only from the Gorontalo province, but also serves assessments in 3 (three) other provinces, namely North Sulawesi, Central Sulawesi, and North Maluku.

Second, the assessment budget. In the implementation of the BMD assessment, the availability of the budget will determine the implementation of the assessment. Especially when using a Public Appraisal Service that already has competence and certification in the field of assessment.

In 2022, when this report was compiled, according to information from the asset sector, the central government through the ministry of home affairs would soon open a functional position of government appraiser to accommodate problems related to the valuation of regional property.

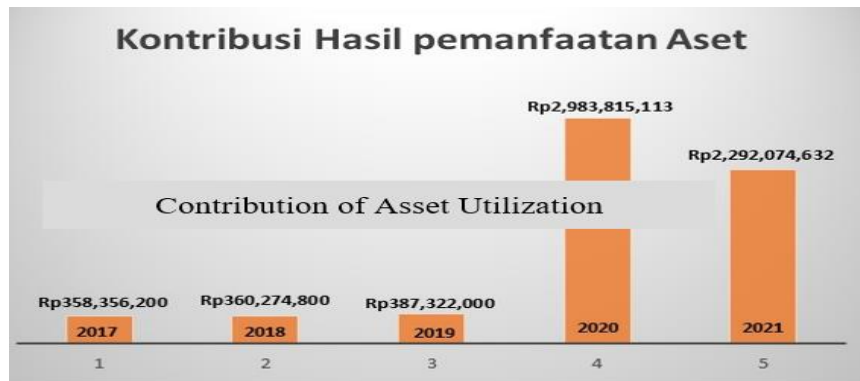
This functional position is expected to be able to answer problems in the Regional Government, especially related to the assessment of Regional Property. With the functional position of appraiser, it is hoped that BMD management can be optimally implemented and institutionally the asset management function is more effective and efficient.

### ***Optimization of Asset Utilization***

Asset Optimization is a policy that must be decided by the leadership or regional head. This policy aims to obtain an increase in PAD through the use of regional assets that have the potential to generate PAD.

The results showed that, only a few SKPD were able to optimize assets and contribute to PAD. Factors that hinder asset optimization include the absence of regulations that form the basis for SKPD to optimize, namely local regulations, in addition to not informing potential assets that are in goods users (SKPD) to goods managers to be utilized.

From the results of the study, it was found that there was an increase in PAD through the use of regional assets in 2020 and 2021 with the following graph:



**Figure 1.** Contribution of Regional Asset Utilization to PAD  
Source: Gorontalo Provincial Finance Agency, 2022

### **Asset Management Information System**

Mardiasmo (2002) argues that related to increasing the authority of state asset management, local governments need to prepare the right instruments to manage regional assets in a professional, transparent, accountable, efficient, and effective manner starting from planning, management/utilization, and supervision. Based on this quote, it appears that there is a need for an asset management information system that is able to optimize regional assets.

The use of the BMD management information system (SIMDA BMD) within the Gorontalo provincial government is still limited to BMD administration for the preparation of monthly/semester and annual reports. This application has not been developed to be accessible to the public/general public and is also not regularly updated on the condition of assets.

### **Conclusion**

In conclusion, Asset Management in the Gorontalo Provincial Government has not been optimally implemented. one of the influencing factors is the commitment of regional property managers from the leadership to technical implementers at the SKPD level. In addition, there is a need for coordination between SKPD internally and institutionally.

Suggestions, to maximize the management of BMD so that there is a need for a separation of functions institutionally, namely by maximizing the duties and functions of BMD management as one of its own OPDs.

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